

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04 TRSE-00

LAB-04 SIL-01 SAM-01 OMB-01 SS-15 NSC-05 PA-01 PRS-01

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R 191450Z JUL 76

FM AMEMBASSY LUXEMBOURG

TO SECSTATE WASHDC 5314

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS UNN

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C O N F I D E N T I A L SECTION 1 OF 2 LUXEMBOURG 0728

E. O. 11652: GDS

TAGS: PGOV, LU

SUBJECT: CHANGES IN LUXEMBOURG GOVERNMENT

REF: LUXEMBOURG 0689

1. BEGIN UNCLASSIFIED: SUMMARY: AS REPORTED REFTEL, VICE PRESIDENT/MINISTER OF FINANCE RAYMOND VOUEL HAS BEEN NOMINATED BY THE GOL TO SUCCEED MR. ALBERT BORSCHETTE AS A MEMBER OF THE EEC COMMISSION. WHEN VOUEL'S DEPARTURE WAS ANNOUNCED, PRIME MINISTER THORN INDICATED THAT HE WOULD ACCEPT THE SOCIALIST PARTY'S (POSL) CHOICE TO REPLACE VOUEL. FOLLOWING A POSL GENERAL COUNCIL MEETING ON JULY 18, THE PARTY ANNOUNCED THAT MR. JACQUES POOS WOULD REPLACE VOUEL
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AS MINISTER OF FINANCE WHILE MR. BERNARD BERG, CURRENTLY

MINISTER OF LABOR, WILL BECOME VICE PRESIDENT OF THE GOVERNMENT.
MR. FONS HILDGEN WILL REPLACE POOS AS LEADER OF THE
SOCIALIST GROUP IN THE NATIONAL ASSEMBLY. END SUMMARY.

2. THE SOCIALIST NOMINATIONS REPRESENT A CLEAR-CUT
VICTORY FOR THE MIDDLE-OF-THE-ROAD, TRADE-UNION ORIENTED
WING OF THE PARTY. BOTH POOS AND BERG EASILY OVER-
CAME RIGHT AND LEFT WING CHALLENGES, AND MR. HILDGEN
GEAT OUT AN EXTREME LEFT WING DEPUTY, MR. JEAN GREMLING,
FOR THE LEADERSHIP OF THE POSL GROUP IN THE CHAMBER.
WE EXPECT BOTH POOS AND BERG TO SUPPORT THE MODERATE
ECONOMIC AND SOCIAL POLICIES THAT THE DEMOCRATIC/SOCIALIST
COALITION GOVERNMENT HAS SO FAR IMPLEMENTED. THE CHANGE
SHOULD HAVE LITTLE EFFECT ON LUXEMBOUR'S INTERNATIONAL
RELATIONS, ALTHOUGH WE MIGHT EXPECT A SLIGHT IMPROVEMENT
IN THE GOVERNMENT'S APPRECIATION OF U. S. POSITIONS
AND INTERESTS BECAUSE POOS AND BERG ARE BOTH VERY FAVORABLY DIS-
POSED TOWARDS THE U. S. THEY HAVE BOTH VISITED THE STATES
AS LEADER GRANTEES.

3. THE NEW MINISTERS WILL BE SWORN IN BY THE GRAND
DUKE (WHO MUST RETURN FROM THE OLYMPIC
GAMES IN MONTREAL FOR THE OCCASION) ON JULY 21 OR 22,
AND THEY WILL IMMEDIATELY BEGIN TO EXERCISE THEIR
FUNCTIONS. BIOGRAPHIC SKETCHES OF THE NEW LEADERS FOLLOW.
END UNCLASSIFIED.

4. BEGIN CONFIDENTIAL: BIOGRAPHIC SKETCH JACQUES POOS:

-- POOS WAS BORN JUNE 3, 1935. HE COMPLETED HIS SECONDARY
SCHOOLING IN LUXEMBOURG AND ATTENDED THE UNIVERSITY OF
LAUSANNE WHERE HE OBTAINED A DIPLOMA IN ECONOMIC AND
COMMERCIAL SCIENCES IN 1958. IN 1961 HE WAS AWARDED
A DOCTORATE FROM THE SAME UNIVERSITY AFTER WRITING HIS
THESIS ON "LUXEMBOURG IN THE COMMON MARKET." FROM 1958
TO 1964 POOS WORKED IN THE MINISTRY OF ECONOMIC AFFAIRS.
IN 1964 HE JOINED THE SOCIALIST NEWSPAPER TAGEBLATT
AND BECAME ITS EDITOR-IN-CHIEF. HE HAS BEEN ACTIVE
IN THE POSL SINCE 1954 AND HAS HELD NUMEROUS POSITIONS
WITHIN THE PARTY. HE IS ALSO AN ACTIVE MEMBER OF THE
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SOCIALIST TRADE UNION, THE LAV. POOS IS MARRIED AND
HAS ONE CHILD.

-- POOS IS AN INTELLECTUAL WHOSE EARLIER MARXIST/SOCIALIST
OUTLOOK HAS BEEN TEMPERED BY EXPERIENCE. HE IS NOW REGARDED
AS A MODERATE BY MOST MEMBERS OF THE PARTY, ALTHOUGH THE
POSL YOUTH GROUP DESCRIBES HIM AS "RIGHT WING." HE REGARDS
HIMSELF AS A PRAGMATIST, INTERESTED IN SOCIAL JUSTICE AND

A MORE EQUAL DISTRIBUTION OF WEALTH, BUT WELL WITHIN THE MODERATE EUROPEAN SOCIALIST TRADITION. HE IS WELL DISPOSED TOWARDS THE UNITED STATES AND ENJOYED A HIGHLY SUCCESSFUL INTERNATIONAL VISITORS GRANT IN 1965. HE IS FRIENDLY AND RESPONSIVE TO EMBASSY OFFICERS AND AS EDITOR OF THE TAGEBLATT TONED DOWN ARTICLES CRITICAL OF THE UNITED STATES INTERNATIONAL POLICIES.

-- ALTHOUGH POOS EARNED HIS GRADUATE DEGREES IN ECONOMICS WITH DISTINCTION AND WAS CONSIDERED AT ONE TIME ONE OF LUXEMBOURG'S MOST BRILLIANT ECONOMISTS, HE HAS NOT DEALT DIRECTLY WITH ECONOMIC AND FINANCIAL ISSUES FOR SOME TEN YEARS. GIVEN HIS BASIC INTELLIGENCE AND SUPPORT FROM A FIRST-CLASS GROUP OF CIVIL SERVANTS IN THE FINANCE MINISTRY, HOWEVER, HE SHOULD HANDLE HIS NEW RESPONSIBILITIES WITH EASE. HE MAY AT FIRST BE A LESS IMPOSING MEMBER OF THE GOVERNMENT THAN VOUEL, BUT WITH TIME AND EXPERIENCE WE EXPECT HIM TO BE EQUALLY FORCEFUL. HIS GENTLY, RATHER LOW-KEY MANNER MASKS A STRONG, DECISIVE CHARACTER.

-- IT IS UNLIKELY THAT POOS WILL MAKE ANY MAJOR CHANGES IN GOL ECONOMIC OR FINANCIAL POLICIES IN THE FORESEEABLE FUTURE. AMERICAN BUSINESSMEN WORKING IN LUXEMBOURG SHOULD FIND HIM AT LEAST AS EASY TO GET ALONG WITH AND S UNDERSTANDING OF THEIR PROBLEMS AS VOUEL. HE SPEAKS FLUENT LUXEMBOURGISH, FRANCH, GERMAN AND FAIR ENGLISH.

5. BIOGRAPHIC SKETCH BERNARD BERG:

-- BERG WAS BORN IN THE STEEL-PRODUCING TOWN OF DUDELANGE ON SEPTEMBER 14, 1931. HE ENTERED THE ARBED STEEL
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WORKS AS AN APPRENTICE FITTER AT AN EARLY AGE AND PROMPTLY JOINED THE JEUNESSE SYNDICALE OR UNION YOUTH. IN 1948 (AT 17) HE BECAME SECRETARY OF THE ORGANIZATION AND IN 1952 PRESIDENT, A POST HE HELD FOR FOUR YEARS. FOR THE NEXT THREE YEARS HE SERVED AS A REPRESENTATIVE OF THE DUDELANGE LOCAL OF THE LAV AND IN 1959 WAS APPOINTED TO ITS NATIONAL EXECUTIVE COMMITTEE. IN 1961 HE BECAME VICE PRESIDENT AND IN 1965-1974 WAS PRESIDENT OF THE LAV. IN 1961 HE ALSO BECAME A MEMBER OF THE NATIONAL DIRECTORATE OF THE SOCIALIST GENERAL CONFEDERATION OF LABOR AND PRESIDENT OF ARBED'S CENTRAL WORKERS DELEGATIONS, POSTS HE HELD UNTIL BECOMING A MINISTER IN JUNE 1974. WITH THIS SOLID BASE IN THE UNION MOVEMENT, BERG BECAME AN INFLUENTIAL VOICE IN THE SOCIALIST PARTY. AFTER AN UNSUCCESSFUL CANDIDACY FOR THE CHAMBER OF DEPUTIES

IN 1964, HE WAS ELECTED A DEPUTY IN DECEMBER 1968.
HE SPEAKS FLUENT GERMAN, GOOD FRENCH, AND FAIR ENGLISH.

-- ALTHOUGH HE HAS LITTLE FORMAL EDUCATION, MR. GERG
IS INTELLIGENT AND SHREWD. HE IS A TOUGH-MINDED BUT
JOVIAL MAN WHO IS IMMENSELY POPULAR AMONG RANK AND
FILE UNION MEMBERS AND INCREASINGLY POPULAR AMONG THE
SOCIALIST ELECTORATE AS A WHOLE. WHEN MR. BERG
WAS NAMED MINISTER OF LABOR, THERE WAS SOME FEAR IN
LUXEMBOURG AND WITHIN AMERICAN BUSINESS CIRCLES THAT
HE WOULD BE RIGID AND DOCTRINAIRE IN REPRESENTING

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C O N F I D E N T I A L SECTION 2 OF 2 LUXEMBOURG 0728

LABOR UNION INTERESTS. THIS HAS NOT BEEN THE CASE;
ON THE CONTRARY, THE BUSINESS COMMUNITY HAS BEEN

PLEASANTLY SURPRISED BY HIS FLEXIBILITY, REALISM AND WILLINGNESS TO TKE ACCOUNT OF BUSINESS AND INDUSTRIAL POINTS OF VIEW.

-- BERG'S BASICALLY PRO-AMERICAN OUTLOOK WAS REINFORCED BY A HIGHLY SUCCESSFUL IVP VISIT TO THE UNITED STATES IN APRIL 1976. HIS ROLE AS VICE PRESIDENT OF THE GOVERNMENT WILL SIGNIFICANTLY INCREASE HIS ABILITY TO INFLUENCE GOL POLICY; WE EXPECT HE WILL SUPPORT MODERATE, PRAGMATIC PROGRAMS, WHICH WILL NOT ADVERSELY AFFECT U. S. INTERESTS. BERG'S NEW ROLE SHOULD ALSO BRING GREATER HARMONY WITHIN THE GOVERNMENT. HE WAS LARGELY CONFIDENTIAL

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SELECTED TO REPLACE VOUEL BECAUSE OF HIS SHREWDNESS IN HANDLING PEOPLE AND HIS ABILITY TO GET ALONG WITH BOTH HIS FELLOW SOCIALISTS OF ALL IDEOLOGICAL STRIPES AND HIS DEMOCRATIC PARTNERS IN THE GOVERNMENT.

6. BIOGRAPHIC SKETCH FONS HILDGEN:

-- HILDGEN WAS BORN IN LUXEMBOURG ON MARCH 20, 1913, AND WAS EDUCATED IN THE GRAND DUCHY. BY PROFESSION A RAILWAY MAN, HE BECAME ACTIVE IN THE TRADE UNION MOVEMENT AND WAS ELECTED TO THE LUXEMBOURG COUNCIL OF STATE IN 1957. IN 1960 HE WAS ELECTED TO THE CHAMBER OF DEPUTIES WHERE HE HAS SERVED OFF AND ON EVER SINCE. HE IS ALSO PRESIDENT OF THE RAILWAY WORKERS UNION. HILDGEN IS A MODERATE SOCIALIST WHO HAS ENJOYED AN UNINSPIRING BUT STEADY PROGRESS UP THROUGH THE RANKS OF THE SOCIALIST PARTY. HE IS FAVORABLY DISPOSED TOWARDS THE UNITED STATES. HE SPEAKS FRENCH, GERMAN AND A LITTLE ENGLISH. END CONFIDENTIAL. GINN

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